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SUBJECT: SENATOR HAGEL'S MEETING WITH FM LAVROV

¶1. (SBU) Summary: In his January 16 meeting with Senator Hagel, FM Lavrov stressed Russian interest in strengthening bilateral relations, but said U.S. efforts to "contain" Russia could undermine constructive engagement and underscored unhappiness over congressional failure to lift Jackson-Vanik. Describing post-START discussions as at a "dead-end," Lavrov called for reinvigorated efforts to strengthen the NPT framework. Lavrov underscored Russian objections to U.S. missile defense plans, interest in cooperation, and disappointment over the perceived "walk back" in the Secretary and SecDef's October 2007 proposals. Pointing to Georgia, he accused the U.S. of double-standards in democracy promotion, but identified energy cooperation as a promising area of cooperation. While praising the ability of Putin and the President to engage bluntly but effectively, Lavrov argued that American hegemony had robbed its diplomacy of creativity. Lavrov said the March 2 presidential elections and Putin's decision to become prime minister promised foreign policy continuity "in every sense." End Summary

State of U.S.-Russian Relations

¶2. (SBU) Foreign Minister Lavrov opened his hour-long meeting with Senator Hagel (R-Nebraska) on January 16 by underscoring the importance that Russia attached to congressional ties, which it viewed as an essential channel in the U.S.-Russian relationship. Commending the Senator for his activism in foreign policy and interest in Russian affairs, Lavrov stressed the need to make the bilateral relationship a constructive partnership. Lavrov seconded the Senator's praise for the Ambassador and welcomed the Senator's positive assessment of Russian Ambassador Ushakov's efforts to advance mutual interests.

¶3. (SBU) When the reporters left the room, Lavrov turned more somber, noting that Russia's "sincere efforts" to promote bilateral relations had to be on the basis of equal treatment, mutual respect, and with the proviso that one country's security could not come at the expense of its partner. Russia was worried by trends in the U.S., the perception of Russia prevalent in the media and ruling circles, and a U.S. national security strategy premised on Russia's "containment." Referring to the 2006 National Security Strategy, Lavrov said it was unacceptable to emphasize containment except in those areas where Russia was seen as useful to U.S. interests. This strategy, he warned, could undermine otherwise constructive engagement on issues such as terrorism, non-proliferation, the promotion of peaceful uses of nuclear energy, and drug trafficking. Acknowledging that differences would remain, Lavrov stressed that "friendly advice," presented in a businesslike way, was the most effective persuasion -- as well as the willingness of the U.S. to also be persuaded. Lavrov contrasted the sharp U.S. rhetoric on democratic development and energy security (digressing to add that Russia had never failed to meet its contractual obligations) with polls of Americans and Russians that indicated generally positive views of one another.

14. (SBU) Lavrov questioned the Senator on the tenor of congressional bills and resolutions that struck Russia as unfair, "to put it mildly," highlighting legislation that mandated the Ambassador to report on undemocratic practices and "to take corrective actions" as well as legislation on UN financing that grouped Russia and North Korea in the same category. "Is this really the mood in the U.S.?" Lavrov reiterated Russian unhappiness over the fact that Jackson-Vanik remained in force, despite commitments made by Senators Lugar and Frist, as well as House International Relations Chairman Lantos, to secure its abolishment, noting that the lack of progress was "difficult to understand." The Senator stressed that he did not speak for his colleagues, but had frequently and publicly criticized Jackson-Vanik as outdated and useless, and agreed that it had become more than just an irritant in the relationship.

15. (SBU) Lavrov welcomed the Senator's analysis of the post-9/11 environment in Washington and necessity of a new 21st century framework of relations based on strengthened alliances to confront the common challenges of radicalism, terrorism, and the proliferation of weapons of mass destruction. He agreed with the Senator that U.S.-Russian relations were of critical importance and required moving beyond zero-sum calculations. While the Senator noted that mistakes had been made on both sides on issues such as missile defense, he urged Lavrov to focus on the future of U.S.-Russia relations. The political transitions underway in both Russia and the U.S. inevitably would lead to policy reassessments and fresh opportunities on long-term security interests, including energy cooperation, terrorism, economic diversification and Russia's WTO membership. Noting his meeting with U.S. business representatives, who described a worsening business environment, the Senator urged the GOR to look for ways to facilitate foreign investment. Pointing to the intersecting interests on issues such as North Korea, Iran, the Balkans, and Security Council, the Senator

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stressed that the U.S. and Russia could not afford to have disjointed relations.

Reinvigorating Non-Proliferation and Post-START

16. (SBU) Lavrov seconded the Senator's concern over the lack of a workable nonproliferation regime, with India and Pakistan outside the framework, and Iran an increasing threat. He commented that the time was fast approaching when bilateral frameworks for arms control would need to be expanded to other nuclear states. Russia was worried about the viability of the NPT, but agreed that it was unwise to open the NPT to amendments, focusing instead on other instruments, such as the Additional Protocol and economic incentives for those states that forego the full fuel cycle. Lavrov argued that the U.S. and Russia needed to take additional steps towards full nuclear disarmament, although recognizing that it was a goal unlikely to be witnessed in several generations, in order to ease the concerns of non-nuclear states.

17. (SBU) Lavrov described post-START negotiations as at a "dead-end," and placed the blame on a U.S. approach that rejected any limitations on its nuclear options. Any agreement, he stressed, would need to be legally binding and further reduce the size of nuclear arsenals. As a practical matter, this would lessen the chance of nuclear mishaps; at a geopolitical level, it would strengthen the NPT regime. Noting that Congress played a far greater role in foreign policy than its Russian equivalent, Lavrov urged the Senator and his colleagues to pay greater attention to this aspect of bilateral relations.

Missile Defense: U.S. Breaks Rules of the Game

18. (SBU) Recalling the presidents' meeting at Camp David in 2003, Lavrov argued that U.S. missile defense plans broke the agreed-upon "rules of the road" concerning preliminary consultations, partnership, and "no surprises." Describing missile defense as "basically unstoppable," Lavrov warned of Russian countermeasures in the event that the U.S. moved an "integral part of its nuclear

arsenal" toward Russian borders. Lavrov traced U.S.-Russian engagement on missile defense, flagging Putin's objection to the abrogation of the ABM Treaty and his forewarning of Russian countermeasures. He described as "not ideal, but promising" the October 2007 proposals made by the Secretary and SecDef -- specifically, what both he and Putin understood to be offers to keep the Czech radar inactive and leave the Polish silos without interceptors until the U.S. and Russia agreed that an Iranian missile capacity had materialized, while having a permanent U.S. and Russian presence located at both sites. Lavrov underscored that the Russian request for the proposals in writing produced a six-week delay and a watered down version that did not include a permanent Russian presence, and left the assessment of the threat entirely in American hands. Lavrov reiterated that everyone should understand there would be consequences to the development of missile defense sites without Russian cooperation. He welcomed the recent GOR consultations with the Polish government, noting that the Russian objective was not to dissuade the Tusk government, but to inform the GOP of Russia's strong views.

¶9. (SBU) Lavrov called into question the U.S. motivations behind missile defense. If the issue was security-driven, it should have been discussed with NATO, the EU, and Russia. If the concern was Iran, then the Russian proposal for sharing Qabala and the radar under development in southern Russia -- coupled with JDEC sites in Moscow and Brussels -- should have been accepted. Clarifying that the Russian proposal was conditioned on the U.S. foregoing its European deployment, Lavrov insisted that the Russian offer provided a 5-7 year window in which to further pursue joint options in the event Iran deployed long range missiles. When Czech and Polish officials justified the radar and missile interceptors as providing a defense against Russia, the logic of the U.S. deployment was further called into question. Lavrov reiterated that the GOR was ready to cooperate, noting that in the event further consultations did not produce an agreement, each country could act according to its own national security calculus. On major issues, Russia believed in consulting first, "but not forever."

Democracy and Double Standards with Georgia

¶10. (SBU) Preemptively arguing that "no one is perfect," Lavrov pointed to the 2000 U.S. elections and the "anarchic system of the electoral college" as evidence that each country had to manage its own democratic development. As in Soviet times, he noted, Russian laws were generally good, but implementation poor. The GOR understood that reality, but would address deficiencies on its own terms. Lavrov contrasted U.S. criticism of the Russian Duma

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elections with its praise for Georgia's presidential elections as proof of double standards. Despite the strategic importance of the bilateral relationship, Russia came in for severe criticism. "What is so important about Georgia that Washington closes its eyes to blatant electoral violations?" The conclusion of many, Lavrov noted, was that Georgia was of greater strategic interest to the U.S. than Russia, feeding conspiracy theories that the U.S. sought to encircle Russia through basing and NATO membership extended to Georgia and Ukraine. Acknowledging that the U.S. had strategic interests in the Caucasus, Lavrov commented that "those interests need to be understandable to us."

Energy Cooperation

¶11. (SBU) Lavrov described energy cooperation as a promising area in the bilateral relationship, pointing to Lukoil and Conoco's agreement to work jointly in Iraq. LNG sales to the U.S. were on the horizon, with U.S.-Canada-Russian cooperation also under discussion. Acknowledging the Senator's concerns over Russian red tape, Lavrov said both foreign and Russian investors were frustrated by the bureaucratic hoops; the government understood this, and Putin had made a commitment to streamline practices. The 50 percent increase in U.S. direct investment in 2007 reflected the positive trendline. Lavrov commented that U.S.-Chinese relations demonstrated to the Russian leadership the importance of a strong

economic foundation in order to weather the ups and downs in the relationship generated by "subjective elements." Maintaining that he did not want to "dramatize" the situation, Lavrov contrasted Russia's acceptance of American support for the Baku-Jehan pipeline (at a time of Russian weakness) to active American lobbying against Russian efforts to diversify its pipelines (at a time of Russian resurgence). American behavior was at odds with the cooperative approach of Germany, Denmark, and Italy, and its focus on a Russian energy "weapon" ignored Russia's dependency on the oil and gas trade for its own economic survival.

U.S. Diplomacy

¶12. (SBU) Noting the Senator's focus on the need for the U.S. to better understand international perceptions of American foreign policy, Lavrov commented that relations between countries were similar to relations between people. When children grew up together, they remembered the older and stronger kid who treated them badly; when they became older and stronger, they still remembered the slight. Based on his 17 years in the United States, Lavrov judged that America's long tenure as the world's dominant power had robbed its diplomacy of incentives to think creatively and to find diplomatic solutions. Lavrov praised the chemistry between Putin and the President, emphasizing their ability to bluntly spell out their respective interests and concerns; this style needed to trickle down into the bureaucracy. Senator Hagel agreed with Lavrov that the diffusion of power, inherent in a globalized world, meant that other centers of political power were emerging, and reiterated the need for the U.S. and Russia to seek ways to strengthen their partnership during the political transition ahead.

Russian Foreign Policy Continuity

¶13. (SBU) Reiterating Russia's openness to partnership with the U.S., Lavrov stressed that the Russian presidential elections would not change the priority placed by the GOR on relations with the U.S., provided that there was a "paradigm of mutual respect." The outcome of the December 2 Duma elections reflected this continuity, as did the expected victory in the March 2 presidential elections of First Deputy Prime Minister Medvedev, who enjoyed the endorsement of Putin and the support of a constitutional majority in the Duma. Assuming that Putin takes up the mantle of Prime Minister, Lavrov concluded that "there will be continuity in every sense."

¶14. (U) The delegation cleared this message.

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